

New Mexico Oil Conservation Division, District I
1625 N. French Drive
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Kerns Petroleum, Inc.

3a. Address

1777NELoop410,930,SanAntonio,TX88202

3b. Phone No. (include area code)

210-829-7881

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec. 30, T-8-S, R-37-E

660 FNL, 1980 FEL

Unit B

Lease Serial No.

NMNM 03431

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Las Cruces "B" #2

9. API Well No.

30-041-00235

10. Field and Pool, or Exploratory Area

Allison Penn

11. County or Parish, State

Roosevelt Co. NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

1. 5 1/2 CIBP @ 9250' w/ 35' on top.

2. Circulate hole w/ mud laden fluid.

3. 2 1/2" @ 7700-7600' **Perf 7000' & Squeeze 35 SX F/7000-6900'-Tag**

4. Cut and pull 5 1/2 csg @ +/- 4500'

5. 45 sx @ 4550-4450' **4179'-Tag**

6. 35 x @ 2310-2210 (salt)

7. Cut and pull 8 5/8, 65 sx @ stub, 50 in and 50' out.

8. 65 sx. @ **427-327 432-332'-Tag**

9. 20 sx. @ 60' to surface.

10. Cut off well head and weld on Dry Hole Marker.

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

Ben Montgomery

Title Agent

Signature

Date 8/25/08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

RETROLEUM ENGINEER

Date

AUG 27 2008

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

LAS CRUCES "B" #2

Roosevelt Co., NM

30-041-002350000

KB 4057'

WELL LOCATION:

T 8 S, R 37 E, Sec. 30
660 FNL, 1980 FEL

13 3/8" 44.5# @ 382' w/390 sxs
Cement (7/29/60)

SPUD DATE:

7/28/1960

ORIGINAL OPERATOR:

Skelly Oil Company

LAST PROD. DATE:

11/30/2005

LAST WELL WORK RPT. IN FILE:

4/07/1998

Top of Cement 1410' TS

8 5/8" 32# J-55 @ 4229' w/1400 sxs Cement (8/03/60)

Top of Cement 7768' TS

TUBING DETAIL (7/23/91)

185 Joints 2 3/8" N-80 Tubing (6112.39')

119 Joints 2 7/8" Tubing (3294')

Anchor on bottom
EOT 9423'

ROD DETAIL (4/7/98)

Rods and pump in hole (no details)

BOUGH "A" PERFS: 9302-06'; 9334-40' (7/23/91)

CUM PROD: 1085 bbls Oil; 7084 mcf Gas; 1230 bbls Water, 7/1991 to 11/2005

CIBP @ 9464' (20' cement on top) (7/21/91)

BOUGH "B" PERFS: 9474-82'; 9503-07'; 9518-20'; 9524-28'; 9542-51' one shot per foot (2/18/77)

CUM PROD: Comingled with below, 2/1977 to 6/1991

BOUGH "C" PERFS: 9567-9'; 9572-74'; 9578-81'; 9583-90' (8/28/60)

CUM PROD: 379196 bbls Oil; 456017 mcf Gas; 0 bbls Water, 9/1960 to 6/1991

PBTD 9606'

5 1/2" 17#, 79 jts N-80, 193 jts J-55 @ 9630' w/600 sxs Cement (8/26/60)

TD 9630'

jtb 5/30/07

BUREAU OF LAND MANAGEMENT

Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
(575) 627-0272

Permanent Abandonment of Federal Wells

Conditions of Approval

Well No. 2-Las Cruces "B"

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. **Well Will Be Plugged As Follows:**

Set CIBP @ 9250' W/35' Cement On Top.
Circulate Hole W/Mud Laden Fluid.
Perforate @ 7000' & Squeeze 35 Sx Cement F/7000-6900'.-Tag
Cut & Pull 5-1/2" Casing @ +/- 4500'.
Set 180 Sx Cement F/4550-4179'.-Tag
Set 35 Sx Cement F/2310-2210' (Salt).
Cut & Pull 8-5/8", 65 Sx @ Stub, 50' In & 50' Out.
Set 65 Sx F/432-332'.-Tag
Set 20 Sx F/60-0' (Surface).
Cut Off Well Head And Weld On Dry Hole Marker.

2. Plugging operations shall commence within **ninety (90)** days from the approval date of this Notice of Intent to Abandon. **If you are unable to plug the well by the 90th day provide the BLM Roswell Field Office, prior to the 90th day, with the reason for not meeting the deadline and a date when the BLM Roswell Field Office can expect the well to be plugged. Failure to do so will result in enforcement action.**

3. **Notification:** Contact the BLM Roswell Field Office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, during office hours call (575) 910-6024 or after office hours call (575) 627-0205. Engineer on call during office hours phone (575) 627-0275 or phone (after hours) call (575) 626-5749.

4. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9090 feet; a 3M system for a well not deeper than 13636 feet; and a 5M system for a well not deeper than 22727 feet.

5. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at a rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

6. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 50 feet of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C" for up to 7500 feet of depth, mixed at 14.8 lbs./gal with 6.3 gallons of fresh water per sack or class "H" for deeper than 7500 feet plugs, mixed at 16.4 lbs./gal with 4.3 gallons of fresh water per sack.

7. **Dry Hole Marker:** All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10 feet in length, 4 feet above the ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).

8. **Subsequent Plugging Reporting:** Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to the BLM Roswell Field Office. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

Following the submittal and approval of the Subsequent Report of Abandonment, a Notice of Intent for Final Abandonment with the proposed surface restoration procedure must be submitted for approval.